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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 001522

SIPDIS

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TAGS: ECON EFIN PREL EINV PGOV VE
SUBJECT: OPEN UP AND SAY AHHHH: VENEZUELA'S HEALTH CARE
SYSTEM

Classified By: Economic Counselor Darnall Steuart for reasons
1.4 (b) and (d).

¶11. (C) Summary. Conditions in public hospitals continue to deteriorate and private hospitals face a growing threat of nationalization. Despite multiple 2008 budgetary authorizations for increases in health care worker salaries, labor actions continue by health care workers. One public health doctor confided to EconOffs that only 60 of her graduating class of 2010 physicians remain in Venezuela. The Bolivarian Republic of Venezuela (BRV) has begun to nationalize small private clinics and hospitals, leaving fewer treatment choices for the public and the Embassy community. End summary.

INCREASE OF GOVERNMENT MONEY AUTHORIZED FOR PUBLIC HEALTH

¶12. (SBU) On October 20, a national economic newspaper, El Reporte Diario de la Economia (El Reporte), published an analysis of BRV funding of public health care in 2008. In addition to the 8.8 billion BsF (approximately 4.1 billion USD at the official exchange rate of 2.15 BsF to USD) in funding set forth in the 2008 budget, the National Assembly (AN) has approved additional expenditures of 2.9 billion BsF (1.35 billion USD.) The 2008 additional credits include funding for the signature Chavez "mission" Barrio Adentro (Inside the Barrio) and the Fondo Rotatorio de la Organizacion Panamericana de la Salud, (the Rotating Fund of the Pan American Health Organization); a first authorization for an increase in the wages of health care workers, an authorization for a 50% bonus of salary for health care workers; a second authorization for a discretionary increase in health care worker salaries; and a final authorization for an additional discretionary salary increase announced by President Chavez. In total, the authorizations for 2008 are double the moneys approved for spending on hospitals in 2007. El Reporte reported, however, that the funds authorized for hospitals in 2007 have not yet been disbursed and it is impossible to track what, if any, health care spending has occurred in 2008. Reporte's analysis of 2008 spending which targets the parallel Barrio Adentro institutions (not public hospitals) and health care worker salaries, reflects concerns EmbOffs heard in several meetings with Venezuelan medical professionals in September.

CONVERSATIONS WITH HEALTH CARE PROVIDERS

¶13. (C) EmbOffs met with Dr. Machado (strictly protect throughout), a pediatric surgeon at a Ministry of Health administered hospital, Hospital General Guarenas-Guatire. On September 12, EmbOffs met with Dr. Luis J. Palacios (strictly protect throughout), an oncologist working at the Hospital

Oncologico Padre Machado, a private hospital nominally run by the Sociedad Anticancerosa de Venezuela and Carmen J. Gosling (strictly protect throughout), public relations director for SenoSalud, a local breast cancer awareness foundation.

A LOOK INSIDE ONE PUBLIC HOSPITAL

14. (C) Dr. Machado's hospital, Hospital General Guarenas-Guatire, is a general care public hospital, providing health care to approximately 185,000 local residents. The hospital is small and lacks adequate staffing and resources to service the community. Machado stated approximately 72 physician positions are vacant in the hospital. Surgeons are unable to operate because there is no anesthesiologist on staff. In addition, doctors must manage treatment programs carefully as no doctors work the overnight shift. Although the hospital was renovated by the BRV in 2007, the renovations were poor and the air filtration and air-conditioning systems do not work, stymieing patient care.

All patients at the public hospital requiring laboratory tests or radiology work must seek care at other hospitals.

15. (C) The hospital treats many prisoners from the nearby jail for tuberculosis. Teen pregnancy is high; girls as young as 13 give birth. Machado stated that approximately 80-90% of women giving birth were below the age of 18. The hospital does provide free contraceptives (birth control pills, condoms, etc.); however, sex education is not a concern for the local population. In Machado's words, "the people are too worried about having food to eat: they don't think about sex education or contraception." When doctors

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attempt to treat patients, they face additional hurdles to effective preventive and diagnostic care. For example, the supply of vaccines is never enough to inoculate all community children and often, the vaccines are incompatible with those previously administered. Compounding these problems, the hospital does not have sufficient medical supplies for emergency care. Machado believes the hospital receives ample funding for supplies, but the funds are diverted for unknown use.

16. (C) In the public hospitals, the Ministry of Health pays each specialized doctor 1500 BsF monthly (696 USD), residents receive 1300 BsF monthly (604 USD), and nurses earn 1000 BsF monthly (465 USD.) In addition to their salary, doctors receive a food bonus and quarterly bonus of 3000 BsF (1395 USD) from the regional government. Most doctors who work at the public hospital maintain private practices to augment the meager salaries. In addition, many doctors and nurses employed by the public hospital are older, nearing retirement and there is no accountability for failure to show up to work. Machado explained that of her graduating class of 2010 doctors, only 60 remained in Venezuela. The medical professionals often take labor action, striking to obtain better wages. In September, several labor actions have occurred, including complaints against the Ministry of Health for its alleged failure to comply with mandated salary increases. In October, sporadic labor actions for non-payment of wages by health care workers continue, coupled with walkouts by medical professional to force the GBRV to declare an emergency due to the shortage of surgical supplies and deterioriating infrastructure.

PRIVATE HEALTH CARE

17. (C) Private hospitals also lack the necessary staff and resources to attend to patients' needs. Dr. Palacios reported that the Hospital Oncologico Padre Machado lacks an anesthesiologist and ICU specialist. There is, he said, no record of where equipment comes from, there are no

technicians to operate or repair machinery and parts are missing. Concerning oncology treatment, Palacios explained, only generic drugs, produced in India and Cuba, of unknown quality, are available. Furthermore, drug supplies are neither constant nor reliable, hampering treatment. Compensation at private hospitals, he added, is also not competitive with salaries in Europe and the United States.

A SNAPSHOT FROM THE VISA LINE

¶18. (SBU) Post conducted an informal survey of NIV applicants applying for visas for medical-related travel over a two-week period in October 2008. Applicants hoped to travel for a variety of reasons, from chronic illness such as juvenile arthritis to life-threatening diseases, such as brain cancer. A few trends stood out. Notably, the applicants said the risk of medical treatment in Venezuela was great, options were limited and generally, treatment was deemed to be safer in the U.S. One applicant had been left a quadriplegic after surgery in Venezuela due to a complication with anesthesia. Whereas insurance covers medical treatment in Venezuela, most applicants would pay for U.S. treatment with personal funds or governmental support. Mission Barrio Adentro and PDVSA (the state oil company) were providing the necessary funds for at least two applicants.

POSSIBLE NATIONALIZATIONS OF PRIVATE HOSPITALS LOOMS

¶19. (C) News reports indicate the BRV has quietly taken steps towards government ownership of hospitals, including one hospital currently used by Embassy personnel and their families, the Hospital Clinicas de Caracas. Dr. Machado confirmed the reports, indicating that the BRV has started buying small privately owned hospitals and clinics at pre-negotiated prices. She believes that the owners, fearing government nationalization, are choosing to get out while they can. Palacios explained the BRV had offered to renovate the Hospital Oncologico Padre Machado in 2004. The BRV did renovate the hospital and at the same time renovated the hospital's management, leaving BRV representatives in charge of the private hospital.

COMMENT

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¶10. (C) Widespread problems in the public health care system and nationalization of private clinics and hospitals may lead to a further deterioration of health care. Post will closely monitor future actions by the BRV to nationalize private clinics and hospitals, particularly with regard to the impact on access to medical care for the Embassy community.

CAULFIELD